

NEWS RELEASE
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STATE OF MONTANA

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Agreement Reached on ASARCO Sites

HELENA – State officials and ASARCO LLC today announced a settlement that, if approved by the courts, will provide an additional \$143 million to clean up industrial and mining sites owned by ASARCO. The agreement provides funding for cleanup of groundwater and soils contaminated by decades of lead smelting in East Helena, as well as additional cleanup of ASARCO-owned property at the Upper Blackfoot River, Iron Mountain and the Black Pine/Combination Mining District sites.

"This is good news and means more money for our booming restoration economy," said Montana Governor Brian Schweitzer. "We are going to put these new dollars to work on the ground creating more, good-paying jobs and cleaning up the mistakes of the past to make East Helena and Montana a better place for future generations."

The \$143 million will be placed into a fund managed by a trustee. In turn, the trustee will restore the property as directed by the Montana Departments of Environmental Quality and Justice, and the federal Environmental Protection Agency, Department of Interior, Forest Service and Department of Justice.

"ASARCO has agreed to pay \$100 million for remediation at the East Helena site," Montana Attorney General Mike McGrath said. "It is part of the plan that we believe will ultimately restore the contaminated groundwater in East Helena."

The announcement came the same day ASARCO filed its reorganization plan in bankruptcy court in Texas, and the settlement is part of the reorganization plan. Under the proposed plan, Sterlite, a subsidiary of an Indian mining company, will buy ASARCO's operating properties in Arizona and Texas for about \$2.6 billion. With those funds and additional cash on hand, ASARCO will pay creditors in the bankruptcy and there will be about \$1.65 billion to pay for environmental claims across the country.

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"We are pleased that the new ASARCO – unlike its predecessor – has been willing to recognize its responsibilities and negotiate in good faith to reach this settlement," McGrath said. "This time, Montanans won't be left holding the bag."

The deal announced Thursday is in addition to settlements announced earlier this year. In late April, the parties announced a \$37 million settlement to remove the aging Mike Horse Dam on the Upper Blackfoot River and restore contaminated streams near the dam, and an \$8.1 million settlement to fund the cleanup of the Barker Hughesville mine site in Judith Basin and Cascade Counties. There was also a \$2.2 million state settlement for portions of the Iron Mountain site not owned by ASARCO.

The Black Pine/Combination site is near Philipsburg and the Iron Mountain site is near Superior.

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